



# UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE

United States Patent and Trademark Office

Address: COMMISSIONER FOR PATENTS

P.O. Box 1450

Alexandria, Virginia 22313-1450

www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/684,387	10/15/2003	Henry J. Jarzmik	WH 12 149US	4457
24962 7590 05/19/2009 DENNISON ASSOCIATES 133 RICHMOND STREET WEST SUITE 301 TORONTO, ON M5H 2L7 CANADA				
EXAMINER				
DASS, HARISH T				
ART UNIT		PAPER NUMBER		
3692				
MAIL DATE		DELIVERY MODE		
05/19/2009		PAPER		

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

### Office Action Summary

**Application No.**

10/684,387

**Applicant(s)**

JARZMIK, HENRY J.

**Examiner**

HARISH T. DASS

**Art Unit**

3692

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 13 February 2009.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-19 and 21 is/are pending in the application.
- 4a) Of the above claim(s) 1, 3, 4 and 10-19 is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 2, 5-9, 21 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/S508)  
Paper No(s)/Mail Date \_\_\_\_\_
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_

### DETAILED ACTION

1. This communication is in response to applicant's communication 2/13/2009.
2. **Priority:** 5/18/2000 (This is continuation I part of application 09/573,386.

Applicant has not clearly identified the new added parts which do not get the priority of the parent application).

**3. Status of Claims:**

Claims 2, 5-9, 21 are pending.

Claims 1, 3-4 and 10-19 are withdrawn.

Claims 5, 9 are amended and claim 21 is added (new).

Claim 20 is canceled.

4. **Non-Compliance** - New claim 21 is added, however, the limitations are underlined. It is improper amendment (see MPEP for add, delete and amendment).

### ***Claim Rejections - 35 USC § 101***

**5. 35 U.S.C. 101 reads as follows:**

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 2, 5-9, 21 are rejected under 35 U.S.C. 101. Based on Supreme Court precedent and recent Federal Circuit decisions, the Office's guidance to examiners is that a § 101 process must (1) be tied to a machine or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. In re Bilski et al, 88 USPQ 2d 1385 CAFC (2008); Diamond v. Diehr, 450 U.S. 175, 184 (1981); Parker v.

Flook, 437 U.S. 584, 588 n.9 (1978); Gottschalk v. Benson, 409 U.S. 63, 70 (1972);  
Cochrane v. Deener, 94 U.S. 780,787-88 (1876).

An example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps. Thus, to qualify as a § 101 statutory process, the claim should positively recite the other statutory class (the thing or product) to which it is tied, for example **by identifying the apparatus that accomplishes the method steps, or positively recite the subject matter that is being transformed, for example by identifying the material that is being changed to a different state.**

Here, applicant's method steps fail the first prong of the new Federal Circuit decision since they are not tied to a machine and can be performed without the use of a particular machine.

Thus, claims 2, 5-9, 21 are non-statutory since they may be performed within the human mind. None of the limitation including added steps/limitation ties the steps to a machine (computer). For example, transferring an obligation, loan, or premium amount electronically from one account to another, etc (supported by original spec).

The mere recitation of the machine with an absence of a machine in the body of the claim fails to make the claim statutory under 35 USC 101. Insignificant extra-solution activity will not transform an unpatentable principle into a patentable process (see John Love, Deputy Commissioner for Patent Examination Policy, memorandum Jan. 7, 2009).

Note the Board of Patent Appeals Informative Opinion Ex parte Langemyer et al-  
[http://iplaw.bna.com/iplw/5000/split\\_display.adp?fedfid=10988734&vname=ippqcases2](http://iplaw.bna.com/iplw/5000/split_display.adp?fedfid=10988734&vname=ippqcases2)

&wsn=500826000&searchid=6198805&doctypeid=1&type=court&mode=doc&split=0&scm=5000&pg=0

***Claim Rejections - 35 USC § 112***

6. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claims 2, 5-9, 21 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. The rejected claims cover every conceivable product. Particularly, "providing the loan amount from the lender to the borrower used to increase the borrower's equity in a property with the loan amount secured by a mortgage security on a said property".

***Claim Rejections - 35 USC § 103***

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 2, 5-9, 21 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ryan et al. (hereinafter Ryan – US 6,684,189) in view of ("Funding your retirement with universal life insurance: Investments made with extra premiums can bear real fruit"; [National Edition 1]; John Archer. National Post. Don Mills, Ont.: May 3, 2000. pg. D.4) hereinafter Archer.

Re. Claim 5 Ryan discloses

a) providing the loan amount from the lender to the borrower used to increase the borrower's equity in a property with the loan amount secured by a mortgage security on a said property [Figure 27A - inherent]

b) obligating the borrower to periodically make a premium payment on a life insurance policy (universal life insurance) on the life of the borrower [see entire document particularly - Abstract; Figure 3s, 17-21, 27; col. 2 lines 10-42], the life insurance policy naming the lender as beneficiary [Figures 34A, 63A; col. 87 lines 57-62 - it is obvious the beneficiary can be any one, it is the insurance owner's choice], the life insurance policy being cashable for a cash surrender value [cash surrender value - col. 34 line 63 through col. 35 line 7];

c)arranging for at least a portion of the premium payment to be invested, in at least one investment vehicle, the investment vehicle having a preselected estimated rate of return [col. 2 lines 10-42; col. 31 lines 16-25; col. 46 lines 1-10];

d) calculating an estimated cash surrender value of the life insurance policy over time based on the portion of the premium payment to be invested in the at least one

investment vehicle and the preselected estimated rate of return [Figures 28; col. 46 lines 20-28];

f) receiving the cash surrender value of the policy at a preselected time in full satisfaction of the loan, wherein the preselected time is based upon the estimated cash surrender value [Figure 30 and associated descriptions ; col. 34 line 63 through col. 35 line 7]; the life insurance policy naming the lender as beneficiary, the life insurance policy being cashable for a cash surrender value [(beneficiary - obvious) - see Figures 34A, 63A; col. 87 lines 57-62 - it is obvious the beneficiary can be any one, it is the insurance owner's choice].

Ryan explicitly does not disclose

b+) the life insurance policy includes an investment component and being cashable.

d) periodically applying the proceeds of the investment vehicle to the insurance policy to increase the cash surrender value thereof; and

However, home equity, home equity loan, home equity, home mortgage, and periodically applying the proceeds of the investment vehicle to the insurance policy to increase the cash surrender value thereof are well known to practitioners in the art of investment and mortgage. For example when a real estate owner pays 30% down payment (from his cash or borrowed from other sources), compare to 20% conventional down payment, his equity in real estate is high or increased, or he pays additional principal payment, his equity is increased and it is obvious he/she pays less in mortgage interest. Similarly, additional premium payment buys additional coverage which mean

more surrender cash value or value, or (e.g.,) reinvestment, long term stock holders reinvest the dividend back and purchase more stocks where his/her investment grows and specially in case of retirement stock portfolio the investment grows (increases) faster tax free.

Archer discloses the life insurance policy includes an investment component and being cashable [see entire document]. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to combine the disclosures of Ryan and Archer to provide a universal life insurance which can be unbundled in two investment components, a growth of investment component to accumulate more fund for more income and fixed component which provide a cash surrender value.

Re. Claims 2 and 6, Ryan explicitly does not disclose wherein the investment vehicle produces returns which are permitted to build on a tax-free basis and periodically calculating an actual rate of return of the at least one investment vehicle, and obligating the borrower to make additional premium payments if the actual rate of return of the at least one investment vehicle is less than the estimated rate of return. However, these features are well known, For example long term stock holders reinvest the dividend back to let their investment grow in case of retirement or tax free bonds, they do not pay tax either [see above example] and in rebalancing/reallocating the investment investors periodically reallocates his/her investment to get better return.



Re. Claim 7, Ryan discloses creating a surplus [col. 46 lines 28-50]. Ryan explicitly does not disclose paying the borrower investment surplus amounts if the actual rate of return of the at least one investment vehicle exceeds the estimated rate of return. However, this is business choice to keep the money are Ryan discloses in escrow of pay the fund back to the owner. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Ryan and include these feature to stratify the accounting practice of the company.

Re. Claim 8 Ryan discloses periodically calculating an actual rate of return of the at least one investment vehicle, and arranging to have the borrower make additional premium payments if the actual rate of return of the at least one investment vehicle is less than a preselected lower rate limit [col. 78 line 1 through col. 79 line 18].

Re. Claim 9 Ryan discloses receiving the cash surrender value and the death benefit of the life insurance policy in the event of the death of at least one individual, and discharging the loan in the event of the death of at least one individual [Figures 28, 34, 63].

Re. Claim 9 Ryan discloses life insurance policy (universal life insurance).

Archer discloses wherein said life insurance policy is a universal life insurance policy having an insurance component and an investment component and wherein said at least one investment vehicle is said investment component. It would have been

obvious at the time the invention was made to a person having ordinary skill in the art to combine the disclosures of Ryan and Archer to provide a universal life insurance which can be unbundled in two investment components, a growth of investment component to accumulate more fund for more income and fixed component which provide a cash surrender value.

### ***Response to Arguments***

8. Applicant's arguments with respect to amended claims have been considered but are moot in view of the new ground(s) of rejection.

Applicant's arguments filed 2/13/09 have been fully considered but they are not persuasive. Applicant argues about limitations which are not claimed, it is simply a generality of his specification. It is noted that the features upon which applicant relies are not recited in the rejected or amended claim(s). ***Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See In re Van Geuns***, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993). Further, the fact that applicant has recognized another advantage which would flow naturally from following the suggestion of the prior art cannot be the basis for patentability when the differences would otherwise be obvious. See *Ex parte Obiaya*, 227 USPQ 58, 60 (Bd. Pat. App. & Inter. 1985).

***Conclusion***

9. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to HARISH T. DASS whose telephone number is (571)272-6793. The examiner can normally be reached on 8:00 AM to 4:50 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Abdi Kambiz can be reached on 571-272-6702. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Harish T Dass/  
Primary Examiner, Art Unit 3692

5/16/2009